

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1441

5 By: Representative Mauch
6 By: Senator Fletcher
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING AUDITS OF CERTAIN
10 ENTITIES THAT PROVIDE WATER OR SEWAGE SERVICES; AND
11 FOR OTHER PURPOSES.
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Subtitle

15 TO AMEND THE LAW CONCERNING AUDITS OF
16 CERTAIN ENTITIES THAT PROVIDE WATER OR
17 SEWAGE SERVICES.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 14-234-119 is amended to read as follows:
23 14-234-119. Annual audits and procedures.

24 (a) Any county, municipality, improvement district, or not-for-profit
25 association or entity receiving fees from customers for providing water or
26 sewage services shall obtain an annual financial audit of the system if the
27 system has at least ~~five hundred (500)~~ seven hundred fifty (750) service
28 connections during any fiscal year.

29 (b)(1) Any county, municipality, improvement district, or not-for-
30 profit association or entity receiving fees from customers for providing
31 water or sewage services and having at least one hundred (100) but less than
32 ~~five hundred (500)~~ seven hundred fifty (750) service connections during any
33 fiscal year shall obtain an annual audit or an annual report of agreed-upon
34 procedures.

35 (2) The agreed-upon procedures and format of the report shall be
36 prescribed by the Legislative Auditor and shall include at a minimum:



- 1 (A) Proof and reconciliation of cash;
2 (B) Confirmation of cash balances;
3 (C) A statement of assets and liabilities on a cash basis;
4 (D) A statement of cash receipts and cash disbursements;
5 (E) A test of water and sewer revenues tracing deposits to
6 source documents; and
7 (F) A report of agreed-upon procedures.

8 (c) ~~Such~~ The audits or agreed-upon procedures reports shall be
9 completed within one (1) year following each system's fiscal year end.

10 (d) Each ~~such~~ entity shall choose and employ accountants who are
11 licensed and in good standing with the Arkansas State Board of Public
12 Accountancy.
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